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LETTER OF THE SECRETARY OF THE TREASURY.

In response to resolution of the House.

CONFEDERATE STATES OF AMERICA.

TREASURY DEPARTMENT,

Richmond, Sept. 15th, 1862.

HON. THOMAS S. BOCKOCK,

Speaker House Representatives, U. S. A. :

SIR :—In response to the resolution of the House of Representatives, requesting the Secretary of the Treasury, to inform the House what legislation (if any,) is required to facilitate his Department in meeting the requisitions of the proper officers on the Treasury, I respectfully report :

That by reference to my report made at the opening of Congress, it will be seen that the chief supplies furnished by Congress to pay requisitions consisted of bonds, and that they could not be sold to a sufficient extent to raise the money required, and that if the requisitions then outstanding were paid in Treasury notes, they would require more than the department was authorized to issue. The first legislation, therefore, which is required, is an extension of the authority to issue Treasury notes, as recommended in the said report.

I have taken it for granted that such authority would be given, and have pressed forward every practicable arrangement for the issue of the notes. The difficulties in the way are all mechanical. We have had neither engravers, nor lithographic printers, nor machinery, nor materials in our country, sufficient to prepare the quantity of notes required. Every effort has been made to supply these deficiencies, and establishments were built up and in full operation at Richmond, which promised to supply the demand, when they had to be broken up and removed to Columbia on account of the approach of the enemy. The delay created by this change, and by the incidental difficulties attending a transportation of everything both ways, and also by the management of these concerns at such a distance, has greatly retarded the operations of the Department. But, such difficulties cannot be relieved by legislation. We are pressing forward the workmen to the utmost diligence as the only remedy; and as soon as it can be done without injury to the public interests, the establishments will be returned to Richmond.

One other source of delay is in the great number of Clerks required to sign and number the notes. Notwithstanding the great objections which exist against so many various signatures to notes used as currency, I have been compelled to employ such a number of signers, that it becomes impossible for the public to become familiar with the signatures. But, even this great number is not sufficient at present to supply the calls upon the Treasury. I have, therefore, already recommended to Congress to make a change in the law and to authorize the printing of the signatures.

The demands upon the Department have lately been greatly increased by the necessity of calling in issues which have been counterfeited. It is necessary to furnish each Depository with a large amount of notes, to exchange with the holders of those called in; and this necessarily diminishes the number of notes applicable to the daily requisitions, while it requires a considerable increase of force at the Depositories to perform the duties required there. These difficulties can only be removed by more extended and complete organization of this branch of the Department, and to that end I have already recommended that it be made by Congress a separate bureau.

It is proper, also, that I should state, that under the existing mode of making requisitions, there must necessarily be delay in meeting them. The printing, signing, and issue of notes, must be based upon the average daily wants of the government. It sometimes happens that the requisitions made in a single day, exceed the average supply of a whole week or ten days; and during this period, other requisitions of a more pressing character are sent in with a request that they be preferred to all others. This, of course, suspends the payments for so much additional time, and there is no remedy possible, but to increase the means of supply to the largest extent of this irregular demand, a remedy which would be very expensive and impracticable.

All of which is respectfully submitted.

C. G. MEMMINGER,
Secretary of Treasury.

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COMMUNICATION OF THE SECRETARY OF THE TREASURY.

TREASURY DEPARTMENT, C. S. A., }
RICHMOND, Oct. 3, 1862. }

Hon. T. S. BOCOCK,

Speaker of the House of Representatives :

SIR: Herewith I respectfully communicate consolidated estimates of the various Departments of the Government, for the month of January, called for by a resolution of Congress. In conformity with the law, I now respectfully "report the ways and means to provide for the same."

By the act passed at the present session entitled an act to provide for the further issue of Treasury Notes, the Secretary of the Treasury is authorized to issue Bonds, certificates of stock and Treasury Notes in such additional amount as may be required to pay the appropriations made by Congress at its last and present session. As soon, therefore, as appropriations are made for payment of these estimates at the present session, the authority follows to issue Bonds or Treasury Notes to provide for them, and no further legislation on that score is necessary.

The great increase which these estimates will make in the issue of Treasury Notes, renders it the duty of Congress to provide some additional means to sustain their credit. There are indications of various kinds that some support of the currency will soon be required. The large amount of Bonds which has been sold in the last month proves that the credit of the Government has improved instead of being impaired. We have, therefore, to look to some other cause for the effects upon the currency.

This cause is, in my opinion, to be found in the amount of issues of currency notes. The whole amount of issues on the 30th September, were.....

\$283,226,890

Of these the interest-bearing notes are as follows:

7.30 int.....	57,160,000	
3.65 int.....	2,021,100	59,181,100
		<u>\$224,045,790</u>

To this amount must be added the unexpended appropriations of the last session and the appropriations of the present session, in order to ascertain the condition of things for which Congress is now to provide.

These expenditures will certainly add about \$150,000,000 to the above aggregate, and make a total of 433,900,000. Allowing a reasonable proportion of this sum to be taken in Bonds and Interest notes, there will remain of general currency notes, an aggregate of about \$340,000,000.

If we extend our view through the months of February, March and April, this aggregate must be increased at the rate of forty millions per month, and it is apparent to every mind that unless every possible means of absorption be applied, the currency must become seriously depreciated.

The war tax which, I presume, Congress will impose at the annual session, will not be received until May or June next. It is important that before that period some other absorbent should be applied, for it is far more difficult to recover a falling currency than to sustain a sound one.

It was to carry out views of this kind that the produce loan from the planters was devised. The effect of that loan was simply to convert currency into bonds. Unfortunately, it has not been taken to such an extent as to produce the impression on the currency which was intended.

The whole estimated value of that loan is only about eighteen millions of dollars; and if from this sum be deducted the value of produce which has been destroyed or will not be forthcoming, fifteen millions will be its utmost extent. It is obvious, therefore, that some other means must be added to produce a sensible effect upon the currency. I cannot too earnestly urge upon Congress the adoption of some measure which will draw back into the treasury, within the next three months, from fifty to one hundred millions of Treasury Notes.

Respectfully submitted,

C. G. MEMMINGER,

Secretary of the Treasury.

OCTOBER, 4, 1862.

N. B. This report has been delayed by reason of the fact that the estimates from all the other Departments were not received until late yesterday.

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